

COMPETE RESULTS AS OF FEB 2010

USAID East Africa's Competitiveness and Trade Expansion Program (**COMPETE**) is designed to enhance economic growth and food security in Eastern and Central Africa. **COMPETE** takes a holistic approach to addressing the constraints and promoting the opportunities available to African companies to increase their competitiveness and trade with the United States and global markets by reducing barriers to trade, improving access to markets, and furthering regional integration through its East and Central African (ECA) Trade Hub.

COMPETE works with regional partners such as the Common Market for Eastern and Southern Africa (COMESA) and the East African Community (EAC) to implement innovative solutions to remove red tape, raise quality and production standards and work in partnership regional trade associations and local producers so that they can be more competitive in the global marketplace.

As an implementing partner under the Global Hunger and Food Security Initiative, **COMPETE** works to remove policy barriers to the trade of staple foods, strengthen regional markets, introduce appropriate and/or cutting edge technologies that will increase production and reduce post-harvest loss, and increase access to these markets for small holders. **COMPETE** focuses its transit activities on corridors that are most important to the trade of staple foods and will work to remove logistical barriers all along the staple foods value chain.

COMPETE builds on the success of two earlier USAID programs, the Regional Agriculture and Trade Expansion (RATES) program and the East and Central African Trade Hub (ECA Hub). **COMPETE** is supported by USAID/East Africa and implemented by Chemonics International and a consortium of local and international firms. **COMPETE** is a 4 year program that was launched April 09 and will run through March 2013.

ACHIEVEMENTS

Exports to U.S. Increased

COMPETE brokered \$U.S. 11 million in exports from East and Central Africa to the U.S. under the African Growth and Opportunity Act (AGOA) in the last 7 months.

- U.S. Companies Atlas Manufacturing and Pinnacle Textiles partner with Ethiopian firm Almeda Textiles (\$10 million).
- Cut flower sales upwards of \$1 million.
- Promising East and Central African firms identified to export specialty foods (honey, macadamia nuts, spices, green beans) and home decor/handicrafts to the U.S.

Public Private Partnerships Formed

At least 20 new Public Private Partnerships formed with over \$3 million in direct private sector contributions

- Conservation Cotton Initiative/Edun Apparel – organic cotton grown on reclaimed land in Uganda is processed into cotton yarn and fabric, then made into T-shirts. U2, Google, Hard Rock Café, Microsoft, and Barnes and Noble are among the few big names who order their T-shirts from CCIU/Edun.
- Sustainable Harvest/Apple Computer – using a new iPhone application and Radio Frequency Identification tagging devices farmer cooperatives are able to track their bags of specialty coffee from farm to coffee cup assuring producers, coffee traders and consumers all along the value chain that they are getting a high-quality, premium coffee. .
- Eastern African Fine Coffee Association/Coffee Quality Institute, Specialty Coffee Association of America – training African coffee professionals and coffee farmers in international standards of coffee quality, cupping and preparation.
- Eastern Africa Grain Council/World Food Programme Purchase for Progress – WFP aims to purchase at least 15% of its annual humanitarian relief food needs from Africa-based

small holder suppliers. Through partnership with EAGC, P4P is purchasing staple foods from more East African farmers (rather than sourcing from U.S.); in 2009 WFP purchased 12,950 bags of local maize valued at \$400,000.

Reduction in Transit Barriers

- Mombasa port now operating on a 24/7 basis
- Non essential Kenyan roadblocks eliminated between Mombasa and Malaba
- Axle load limits under new review-moving towards harmonization with Kenya now ready to move closer to regional limits.
- Malaba border clearance from 16 hours to 6 hours
- Fully fledged East African Community Customs Union launched
 - Consensus on Common External Tariff
 - Consensus on Rules of Origin
- Regional trade associations in the transit value chain strengthened, Kenya Shippers Council (KSC), Kenya Transport Association (KTA), and Federation of East African Freight Forwarders Association (FEAFFA), which represent majority of private sector operators in East African transit awarded Partnership Fund grants
- Improving customs and transit data exchange
 - Revenue Authorities Digital Data Exchange (RADDEx) installed at 3 new border posts, the latest location is /Mutukula on the Tanzania/Malawi border
 - New East African Community regional integrated system under software development

Access to Finance Improved

- Agreement with Kenya School of Monetary Studies to launch agricultural credit training program for commercial bankers, which will be rolled out to all countries in the East African Community
- Agreement with Uganda Insurer's Association to establish a regional insurance association to build advocacy for regional certification and harmonization of insurance regulations.
- Agreement to form Regional Credit Bureau with cooperation from the central banks of Rwanda and Uganda and USAID's Bureau of Economic Growth and Trade which will establish a credit reporting bureau that can be used as a model in the region.
- Development of Harmonized Money Transfer Regulations and Legislation for East African region to expand mobile money transfers in region for small holder farmers.

Smallholder Access to Commercial Staple Foods Markets Increased

- Trainings to improve post harvest crop management and access to markets for smallholder famers - over 5,000 small holder producers trained in 10 months.
- Over \$3 million in COMPETE partnership grants provided to local partners to support staple foods market access activities.
- Harmonized standards prepared for staples rice and wheat for review by COMESA and EAC. Harmonized quality standards help promote cross border trade of staple foods in the region.
- Intraregional trade facilitated through formation of regional association of commodity exchanges